

Message Text

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ACTION PM-04

INFO OCT-01 ARA-06 ISO-00 CIAE-00 H-02 INR-07 L-03 NSAE-00

NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 AID-05 OMB-01

TRSE-00 SAB-01 ACDA-05 MC-02 /067 W

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R 072124Z NOV 75

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC 5713

SECDEF WASHDC//ISA//

JCS WASHDC//J-5//

INFO USCINCSO

PANCANAL CZ

193D INFANTRY BRIGADE (CZ)

C O N F I D E N T I A L PANAMA 6855

JOINT EMBASSY-USSOUTHCOM MESSAGE

E.O. 11652: GDS

TAGS: PFOR, PN

SUBJECT: FMS CREDITS FOR PANAMA

REF: JOINT STATE/DEFENSE MESSAGE STATE 258167, SUBJECT:
FY 1976 AND FY 1977 MILITARY SECURITY ASSISTANCE PROGRAMS:
PANAMA 6667 AND 5933 AND 3471

1. REQUEST IMMEDIATE MEASURES BE TAKEN TO AMEND THE
SECURITY ASSISTANCE PROGRAM NOW BEFORE CONGRESS TO
REFLECT .5 MILLION DOLLARS FMS CREDIT FOR PANAMA.

2. THE GOP HAS NOW REPEATEDLY EXPRESSED THEIR NEED FOR
FMS CREDIT. GOP RECOGNIZES THAT IF IT IS TO SHARE IN
THE DEFENSE OF THE CANAL, THE COMBAT EFFECTIVENESS OF
ITS GUARDIA NACIONAL MUST BE SIGNIFICANTLY UPGRADED.
THIS WILL ENTAIL BOTH THE ACQUISITION OF MATERIEL NEW
TO THEIR INVENTORY AND COROLLARY SKILL TRAINING TO
OPERATE THE EQUIPMENT AND ALSO WILL INVOLVE AN INCREASE
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IN SIZE OF THE GUARDIA NACIONAL. SPECIFIC RECENT EXAMPLES
OF THESE ASPIRATIONS, AS ENCOURAGED BY OUR TALK OF JOINT

CANAL DEFENSE, ARE CLEARLY EVIDENT IN REFTELS JOINT EMBASSY-USSOUTHCOM MESSAGE, PANAMA 6667, AND PANAMA 5933.

3. IN MY JUNE TELEGRAM, PANAMA 3471, I ASKED THAT THE FY76-77 CASP BE AMENDED TO REFLECT .5 MILLION DOLLARS IN FMS CREDIT FOR FY76 AND 1 MILLION FOR FY77. JUSTIFICATION FOR THE INCREASE WAS ALSO PROVIDED.

4. YOU ARE AWARE THAT LATIN AMERICAN HEADS OF STATE CONSULT CLOSELY AND OFTEN WITH BG TORRIJOS. IT WILL BECOME KNOWN TO HIM VERY QUICKLY THAT PANAMA WAS AMONG THE VERY FEW LATAM COUNTRIES THAT WERE DENIED FMS CREDITS FOR 1976. IT IS HARD TO EXPLAIN AND JUSTIFY THE FURNISHING OF CREDITS TO RICH COUNTRIES SUCH AS BRAZIL AND VENEZUELA AND TO DENY FAVORABLE TERMS TO A SMALL COUNTRY SUCH AS PANAMA WHO NEEDS THE ASSISTANCE. WE ARE ON RECORD AS TELLING THE PANAMANIAN THAT THE DEGREE AND EFFECTIVENESS OF THEIR PARTICIPATION IN JOINT-DEFENSE WILL DIRECTLY AFFECT THE SIZE AND MANNER OF OUR DEFENSE COMMITMENT. FOR THE GN TO BECOME EFFECTIVE WILL REQUIRE GENEROUS FINANCIAL TERMS AND PROBABLY SOME SUBSTANTIAL MILITARY GRANTS BY THE US TO KEEP OUR MOST DESIRABLE STATUS AS THE PRIMARY ARMS SUPPLIER. IT IS CLEAR HERE THAT PANAMA WILL TURN TO OTHER SOURCES FOR THE WEAPONRY THEY SEEK IF DENIED BY THE U.S.

5. THE DENIAL OF WHAT IS REALLY A TOKEN AMOUNT OF CREDIT WOULD BE SEEN AS IMPUGNING THE EARNESTNESS OF OUR EXPRESSED DESIRES TO SEE PN AS A MEANINGFUL JOINT DEFENSE PARTNER AND WOULD BE INTERPRETED AS ANOTHER MEANS WHEREBY WE SEEK TO REMAIN IN DE FACTO CONTROL. OUR GOOD FAITH AND INTEREST IN HELPING THEM ACHIEVE THE GOALS OF JOINT DEFENSE CAN BE IMMEDIATELY DEMONSTRATED BY MAKING THE MEANS AVAILABLE IN THE FORM OF FMS CREDIT AS IT IS NEEDED.

6. USCINCSO CONCURS IN THIS REQUEST.
JORDEN

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